

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

-----X
In re: PROMESA
Title III
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO, No. 17 BK 3283-LTS
as representative of (Jointly Administered)
THE COMMONWEALTH OF PUERTO RICO, *et al.*
Debtors.¹

-----X
In re: PROMESA
Title III
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO, No. 17 BK 3566-LTS
as representative of (Jointly Administered)
THE EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO,
Debtors.

**URGENT JOINT MOTION FOR ENTRY OF A SCHEDULE FOR RESOLUTION OF THE
ERS BONDHOLDER CLAIMS AND ADMINISTRATIVE EXPENSE MOTIONS**

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

To the Honorable United States District Court Judge Laura Taylor Swain:

The Official Committee of Unsecured Creditors (the “Creditors’ Committee”),² the Official Committee of Retired Employees of the Commonwealth of Puerto Rico (the “Retiree Committee” and, together with the Creditors’ Committee, the “Committees”), the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), the Special Claims Committee of the Financial Oversight and Management Board for Puerto Rico (the “SCC”), the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF” and, together with the Oversight Board and the SCC, the “Government Parties”), certain groups of ERS Bondholders represented by Jones Day and White & Case LLP (the “ERS Bondholder Groups”), and The Bank of New York Mellon, as Fiscal Agent for the ERS bonds (the “Fiscal Agent” and, together with the ERS Bondholder Groups, the Committees, and the Government Parties, the “Parties”) hereby file this *Urgent Joint Motion for Entry of a Schedule for Resolution of the ERS Bondholder Claims and Administrative Expense Motions* (the “Motion”). In support of this Motion, the Parties respectfully state as follows:

BACKGROUND

1. The members of the ERS Bondholder Groups and the Fiscal Agent have each filed timely proofs of claim against the Commonwealth and ERS (individually, the “ERS Bondholder Groups Claims” and the “Fiscal Agent Claims”, and collectively, the “Claims”).³ Objections to these claims were asserted by the Creditors Committee, the Retiree Committee, and the Oversight Board. See ECF Nos. 5580, 5586, 6482, 7075, 9700, 9701, 9702, 9703, 9704, 9705, 9708, and 9710 in Case No. 17-3283 (the “Claim Objections”).

² The Creditors’ Committee is the official committee of unsecured creditors for all Title III Debtors, other than PBA and COFINA.

³ The claim numbers for the ERS Bondholder Groups Claims are listed in Appendix 2 to the Proposed Order attached to this Joint Motion. While the Parties intend this list to be comprehensive, all Parties reserve their right to identify additional claims they believe should be included in the list of ERS Bondholder Groups Claims.

2. On October 7, 2019, the Court entered an agreed order approving the procedures for objections to claims by holders of bonds issued by ERS [ECF No. 8818] (the “ERS Procedures Order”). Among other things, the ERS Procedures Order (i) established procedures and a January 6, 2020, deadline for the filing of objections to the Claims, *id.*, Ex. 2, ¶¶ 1, 6; (ii) established procedures for parties not already involved in litigation regarding the ERS bonds to file Notices of Participation expressing their intent to participate, *id.*, Ex. 2, ¶ 2; and (iii) set November 21, 2019 as the deadline for the assertion of any post-petition claim (including a request for an administrative expense) against ERS on account of or related to the bonds, *id.* Ex. 2, ¶ 7.

3. On October 24, 2019, the Court entered an agreed scheduling order to address matters pending before the Court that relate to the validity of ERS bonds (the “Ultra Vires Issue”) and the scope of liens asserted by the ERS bondholders (the “Lien Scope Issues”) [ECF No. 8962] (the “ERS Scheduling Order”). The ERS Scheduling Order stayed litigation of all other issues and adversary proceedings relating to the Claims until the United States Court of Appeals for the First Circuit entered a decision in Case Nos. 19-1699 and 19-1700 (consolidated for briefing and argument) (the “Section 552 Appeal”). *See id.* ¶¶ 4, 5. The ERS Scheduling Order further directed the parties to meet and confer regarding a schedule for resolution of the Claims and the objections thereto following the First Circuit’s decision in the Section 552 Appeal. *See id.* ¶ 6.

4. On November 21, 2019, (i) certain ERS bondholders filed the *ERS Bondholders’ Motion and Request for Allowance and Payment of Post-Petition and Administrative Expense Claims* [ECF No. 9285 in Case No. 17-3283 and ECF No. 707 in Case No. 17-3566], (ii) certain ERS bondholders filed the *ERS Bondholders’ Motion and Request for Allowance and Payment of Post-Petition and Administrative Expense Claims* [ECF No. 9294 in Case No. 17-3283 and ECF No. 710 in Case No. 17-3566] (collectively, the “Bondholder Administrative Expense Motions”), and (iii) The Bank of New York Mellon, as Fiscal Agent, filed a *Joinder in ERS Bondholders’ Motion for*

Allowance of Administrative Expense Claim [ECF No. 9298 in Case No. 17-3283 and ECF No. 712 in Case No. 17-3566] (the “BNYM Joinder” and, together with the Bondholder Administrative Expense Motions, the “Administrative Expense Motions”).

5. On November 25, 2019, the Court entered an *Order Scheduling Briefing on Motions of ERS Bondholders and Fiscal Agent for Allowance and Payment of Post-Petition Administrative Expense Claims* [ECF No. 9322 in Case No. 17-3283 and ECF No. 721 in Case No. 17-3566] (the “Administrative Expense Scheduling Order”). According to that Order, briefing on the Administrative Expense Motions was to be completed by January 21, 2020.

6. On January 2, 2020, the Court entered an *Order Granting Urgent Joint Motion To Modify Order Regarding Stay and Mandatory Mediation with Respect to Motions of ERS Bondholders and Fiscal Agent for Allowance and Payment of Post-Petition Administrative Expense Claims* [ECF No. 9688 in Case No. 17-3283 and ECF No. 754 in Case No. 17-3566], vacating the Administrative Expense Scheduling Order and subjecting the Administrative Expense Motions to the meet and confer process set forth in the ERS Scheduling Order.

7. On January 6, 2020, the Creditors Committee, the Retiree Committee, and the Oversight Board each filed additional objections to the Claims. [ECF Nos. 9700, 9701, 9702, 9703, 9704, 9705, 9708, and 9710 in Case No. 17-3283, and ECF Nos. 757, 758, 759, 760, 761, and 762 in Case No. 17-3566].

8. On January 30, 2020, the First Circuit issued a judgment in the Section 552 Appeal. The First Circuit subsequently denied rehearing on March 3, 2020.

RELIEF REQUESTED

9. Pursuant to the directive in paragraph 6 of the ERS Scheduling Order, the Parties have met and conferred regarding a schedule for resolution of the Claims and the Administrative Expense Motions.

10. The Parties have jointly developed a schedule (the “Proposed Schedule”) that they believe will advance the litigation of the Claims and the Administrative Expense Motions toward a final resolution. That Proposed Schedule is as follows:

Deadline for Non-Party Participants to file objections to Proposed Schedule	3/24/2020
Responses to Non-Party Participant objections (if any) due	3/27/2020
Deadline for ERS Bondholder Groups and the Fiscal Agent to file the Supplements	3/25/2020
Deadline for ERS Bondholder Groups and the Fiscal Agent to submit initial document requests related to the Claims and the Administrative Expense Motions	4/15/2020
Deadline for Government Parties and Committees to file Rule 12(b) motions to dismiss the Claims and the Administrative Expense Motions	4/22/2020
Deadline for Government Parties and Committees to respond to initial document requests with written responses and objections	4/29/2020
Deadline for Non-Party Participants to file Rule 12(b) motions to dismiss the Claims and the Administrative Expense Motions or joinders to such Rule 12(b) motions	4/29/2020
Deadline for ERS Bondholder Groups and the Fiscal Agent to file Rule 12(c) motions	5/13/2020
Deadline for Non-Party Participants to file Rule 12(c) motions or joinders to Rule 12 (c) motions	5/20/2020
Deadline for ERS Bondholder Groups and the Fiscal Agent to file oppositions to any Rule 12(b) motions	5/20/2020
Deadline for Non-Party Participants to file responses or joinders to oppositions to Rule 12(b) motions	5/27/2020
Deadline for Government Parties and Committees to file opposition to ERS Bondholder Groups and the Fiscal Agent Rule 12(c) motions	6/10/2020
Deadline for Non-Party Participants to file responses or joinders to oppositions to Rule 12(c) motions	6/17/2020
Deadline for Government Parties and Committees to file replies in support of any Rule 12(b) motions	6/17/2020
Deadline for Non-Party Participants to file responses or joinders to replies in support of any Rule 12(b) motions	6/24/2020
Deadline for ERS Bondholder Groups and the Fiscal Agent to file replies in support of any Rule 12(c) motions	7/9/2020

Deadline for Non-Party Participants to file responses or joinders to replies in support of any Rule 12(c) motions	7/16/2020
Hearing on Rule 12 motions	Date Set by Court
Deadline for completion of document discovery	30 Days After Decision on Rule 12 Motions
Subsequent to the court's ruling on the Rule 12 motions, the parties are to meet and confer regarding a schedule for any further litigation necessary to fully resolve the Claims and the Administrative Expense Motions	TBD

11. As shown above, the Proposed Schedule provides for (i) the filing of a supplement to certain paragraphs of the Claims and the Administrative Expense Motions; (ii) opportunities for the Parties to file motions under Rule 12 of the Federal Rules of Civil Procedure, made applicable to these contested matters by Federal Rule of Bankruptcy Procedure 7012 and paragraph 1 of the ERS Procedures Order (the “Rule 12 Motions”); (iii) commencement of document discovery; and (iv) a requirement to meet and confer regarding further litigation on any issues not resolved by the Rule 12 Motions.

12. Notably, the Proposed Schedule also provides an opportunity for all who filed a timely Notice of Participation pursuant to the ERS Procedures Order to participate in these contested matters.

13. In light of the above, the Parties hereby jointly request that the Court enter an order substantially in the form attached hereto as Exhibit A, (i) vacating any applicable stay of litigation with respect to the matters listed on Appendix 1 to Exhibit A, and (ii) establishing a litigation schedule for such matters.

NO PRIOR REQUEST

14. No prior request for the relief sought herein has been made to this or any other court.

Dated: March 17, 2020

Respectfully submitted,

/s/ Luc A. Despins

PAUL HASTINGS LLP

Luc A. Despins (*Pro Hac Vice*)
James R. Bliss, Esq. (*Pro Hac Vice*)
James B. Worthington, Esq. (*Pro Hac Vice*)
G. Alexander Bongartz (*Pro Hac Vice*)
200 Park Avenue
New York, New York 10166
Telephone: (212) 318-6000
lucdespins@paulhastings.com
jamesbliss@paulhastings.com
jamesworthington@paulhastings.com
alexbongartz@paulhastings.com

Counsel to the Official Committee of Unsecured Creditors

/s/ Juan J. Casillas Ayala

CASILLAS, SANTIAGO & TORRES LLC

Juan J. Casillas Ayala, Esq. (USDC – PR 218312)
Israel Fernández Rodríguez, Esq. (USDC – PR 22504)
Juan C. Nieves González, Esq. (USDC – PR 231707)
Cristina B. Fernández Niggemann, Esq. (USDC – PR 306008)
PO Box 195075
San Juan, Puerto Rico 00919-5075
Telephone: (797) 523-3434
Fax: (797) 523-3433
jcasillas@cstlawpr.com
ifernandez@cstlawpr.com
jnieves@cstlawpr.com
cfernandez@ctslawpr.com

Local Counsel to the Official Committee of Unsecured Creditors

/s/ Margaret A. Dale

Martin J. Bienenstock

Brian S. Rosen

Jeffrey W. Levitan

Margaret A. Dale

(Pro Hac Vice)

PROSKAUER ROSE LLP

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

*Attorneys for the Financial Oversight and Management
Board for Puerto Rico as representative for the
Debtors*

/s/ Luis F. De Valle-Emmanuelli

Luis F. De Valle-Emmanuelli

P.O. Box 79897

Carolina, PR 00984-9897

Tel: (787) 977-1932

Fax: (787) 722-1932

dvelawoffices@gmail.com

OF COUNSEL FOR A&S LEGAL STUDIO, PSC

434 Avenida Hostos, San Juan, PR

Tel: (787) 751-6764 / 763-0565

Fax: (787) 763-8260

*Attorneys for the Financial Oversight and Management
Board for Puerto Rico as representative of the
Employees Retirement System of the Government of the
Commonwealth of Puerto Rico*

/s/ Edward S. Weisfelner

BROWN RUDNICK LLP

Edward S. Weisfelner, Esq. (*Pro Hac Vice*)
Seven Times Square
New York, NY 10036
Tel: (212) 209-4800
eweisfelner@brownrudnick.com

Sunni P. Beville, Esq. (*Pro Hac Vice*)
One Financial Center
Boston, MA 02111
Tel: (617) 856-8200
sbeville@brownrudnick.com

Counsel to the Special Claims Committee

/s/ Alberto Estrella

ESTRELLA, LLC

Alberto Estrella (USDC-PR 209804)
Kenneth C. Suria (USDC-PR 213302)
P.O. Box 9023596
San Juan, Puerto Rico 00902-3596
Tel: (787) 977-5050
Fax: (787) 977-5090

Local Counsel to the Special Claims Committee

/s/ John J. Rapisardi

O'MELVENY & MYERS LLP

John J. Rapisardi (pro hac vice)
Suzanne Uhland (pro hac vice)
Peter Friedman (pro hac vice)
7 Times Square
New York, NY 10036

*Counsel for the Puerto Rico Fiscal Agency and
Financial Advisory Authority*

/s/ Luis C. Marini-Biaggi

MARINI PIETRANTONI MUNIZ LLC

Luis C. Marini-Biaggi
USDC No. 222301
250 Ponce de León Ave., Suite 900
San Juan, Puerto Rico 00918
Tel: (787) 705-2171
Fax: (787) 936-7494

*Counsel for the Puerto Rico Fiscal Agency and
Financial Advisory Authority*

/s/ Catherine Steege

JENNER & BLOCK LLP

Robert Gordon (admitted *pro hac vice*)
Richard Levin (admitted *pro hac vice*)
919 Third Ave
New York, NY 10022-3908
rgordon@jenner.com
rlevin@jenner.com
212-891-1600 (telephone)
212-891-1699 (facsimile)

Catherine Steege (admitted *pro hac vice*)
Melissa Root (admitted *pro hac vice*)
Landon Raiford (admitted *pro hac vice*)
353 N. Clark Street
Chicago, IL 60654
csteege@jenner.com
mroot@jenner.com
lraiford@jenner.com
312-222-9350 (telephone)
312-239-5199 (facsimile)

/s/ A.J. Bennazar-Zequeira

BENNAZAR, GARCÍA & MILIÁN, C.S.P

A.J. Bennazar-Zequeira

Héctor M. Mayol Kauffmann

Francisco del Castillo Orozco

Edificio Union Plaza,

1701 Avenida Ponce de León #416

Hato Rey, San Juan

Puerto Rico 00918

ajb@bennazar.org

hector.mayol@bennazar.com

787-754-9191 (telephone)

787-764-3101 (facsimile)

*Counsel for the Official Committee of Retired
Employees of Puerto Rico*

/s/ Alfredo Fernández-Martínez

Alfredo Fernández-Martínez
DELGADO & FERNÁNDEZ, LLC
PO Box 11750
Fernández Juncos Station
San Juan, Puerto Rico 00910-1750
Tel: (787) 274-1414
Fax: (787) 764-8241
afernandez@delgadofernandez.com
USDC-PR 210511

/s/ Bruce Bennett

Bruce Bennett (pro hac vice)
JONES DAY
555 South Flower Street Fiftieth Floor
Los Angeles, California 90071
Tel: (213) 489-3939
Fax: (213) 243-2539
bbennett@jonesday.com

Benjamin Rosenblum (pro hac vice)
JONES DAY
250 Vesey Street
New York, New York 10281
Tel. (212) 326-3939
Fax: (212) 755-7306
brosenblum@jonesday.com

Geoffrey S. Stewart (pro hac vice)
Beth Heifetz (pro hac vice)
Sparkle L. Sooknanan (pro hac vice)
JONES DAY
51 Louisiana Ave. N.W. Washington, DC 20001
Tel. (202) 879-3939
Fax: (202) 626-1700
gstewart@jonesday.com
bheifetz@jonesday.com
ssooknanan@jonesday.com

*Counsel for ERS Bondholders Andalusian Global
Designated Activity Company, Crown Managed
Accounts for and on behalf of Crown/PW SP, Glendon
Opportunities Fund, L.P., LMA SPC for and on behalf
of Map 98 Segregated Portfolio, Mason Capital Master
Fund L.P., Oaktree-Forrest Multi-Strategy, LLC
(Series B), Oaktree Opportunities Fund IX, L.P.,
Oaktree Opportunities Fund IX (Parallel), L.P.,*

Oaktree Opportunities Fund IX (Parallel 2), L.P., Oaktree Huntington Investment Fund II, L.P., Oaktree Opportunities Fund X, L.P., Oaktree Opportunities Fund X (Parallel), L.P., Oaktree Opportunities Fund X (Parallel 2), L.P., Oaktree Value Opportunities Fund Holdings, L.P., Oceana Master Fund Ltd., Ocher Rose, L.L.C., Pentwater Merger Arbitrage Master Fund Ltd., PWCM Master Fund Ltd., Redwood Master Fund, Ltd., and SV Credit, L.P.

/s/ José C. Sánchez-Castro

José C. Sánchez-Castro USDC-PR 213312
jsanchez@sanpir.com
Alicia I. Lavergne-Ramírez USDC-PR 215112
alavergne@sanpir.com
SÁNCHEZ PIRILLO LLC
270 Muñoz Rivera Avenue, Suite 1110, San Juan, PR
00918
Tel: (787) 522-6776
Fax: (787) 522-6777

/s/ Jason N. Zakia

John K. Cunningham (pro hac vice)
Glenn M. Kurtz (pro hac vice)
WHITE & CASE LLP
1221 Avenue of the Americas
New York, NY 10036
Tel: (212) 819-8200
Fax: (212) 354-8113
jcunningham@whitecase.com
gkurtz@whitecase.com

Jason N. Zakia (pro hac vice)
Cheryl T. Sloane (pro hac vice)
WHITE & CASE LLP
200 S. Biscayne Blvd., Suite 4900
Miami, FL 33131
Tel: (305) 371-2700
Fax: (305) 358-5744
jzakia@whitecase.com
csloane@whitecase.com

Counsel for Puerto Rico AAA Portfolio Bond Fund, Inc., Puerto Rico AAA Portfolio Bond Fund II, Inc., Puerto Rico AAA Portfolio Target Maturity Fund, Inc., Puerto Rico Fixed Income Fund, Inc., Puerto Rico Fixed Income Fund II, Inc., Puerto Rico Fixed Income Fund III, Inc., Puerto Rico Fixed Income Fund IV, Inc., Puerto Rico Fixed Income Fund V, Inc., Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc., Puerto Rico Investors Bond Fund I, Puerto Rico Investors Tax-Free Fund, Inc., Puerto Rico Investors Tax-Free Fund, Inc. II, Puerto Rico Investors Tax-Free Fund III, Inc., Puerto Rico Investors Tax-Free Fund IV, Inc., Puerto Rico Investors Tax-Free Fund V, Inc., Puerto Rico Investors Tax-Free Fund VI, Inc., Puerto

Rico Mortgage-Backed & U.S. Government Securities Fund, Inc., Tax-Free Puerto Rico Fund, Inc., Tax-Free Puerto Rico Fund II, Inc., and Tax-Free Puerto Rico Target Maturity Fund, Inc.

SEPULVADO, MALDONADO & COURET

/s/ Albéniz Couret-Fuentes

Albéniz Couret-Fuentes
USDC-PR Bar No. 222207
304 Ponce de León Ave. – Suite 990
San Juan, PR 00918
Telephone: (787) 765-5656
Facsimile: (787) 294-0073
Email: acouret@smclawpr.com

REED SMITH LLP

/s/ Luke A. Sizemore

Eric A. Schaffer (pro hac vice)
Luke A. Sizemore (pro hac vice)
225 Fifth Avenue, Suite 1200
Pittsburgh, PA 15222
Telephone: (412) 288-3131
Facsimile: (412) 288-3063
Email: eschaffer@reedsmith.com
Email: lsizemore@reedsmith.com

C. Neil Gray (pro hac vice)
599 Lexington Avenue
New York, NY 10022
Telephone: (212) 521-5400
Facsimile: (212) 521-5450
Email: cgray@reedsmith.com

Counsel to The Bank of New York Mellon, as fiscal agent